

F. ROYALTY AND NPSL PAYMENT SUMMARY REPORT (S1) INSTRUCTIONS

1. Reporting Instructions

Overview of the Royalty and NPSL Payment Summary (S1) Report

A lessee must file a "Royalty and NPSL Payment Summary Report" (S1 Report) whenever a lessee makes a payment to the State of Alaska for oil and gas royalties or "Net-Profit-Share Lease" (NPSL) profit amounts or files royalty valuation (A1) or NPSL Account (AC) reports with no payment to the State. When a lessee makes multiple payments within a "Report Month", a separate S1 Report is required for each payment made, i.e. if separate payments for "Oil" royalties and "Gas" royalties are made, separate S1 Reports for each payment are required.

Separate payments **must be made** for each filing type (REG, FER, and QAL. etc) made during the month. In addition, payments for royalties **MUST ALWAYS** be separate from NPSL "Net-Profit" payments.

Royalty and NPSL Related Payments:

Use the S1 Report to file "Principal," (PRIN) "Interest," (INTR) and "Total Payment" (TPMT) summary information for each "Accounting Unit" for which A1 Report(s) or Lease for AC Reports are filed. In addition, use the S1 Report to file other miscellaneous adjustments to the "Grand Total Payment" (GT) including but not limited to: "Late Payment Interest (LPMI)" for specific "Accounting Units," or Lease, "Over/Under Payments (OUP)," "Over/Under Payment Interest (OUI)," claiming "Earned Income Credits" (EICs) by lease, claiming "Advanced Rental Credits (AR)" by lease, or paying "Settlement Late Payment Interest (SLPI)", Settlement Payment interest ((SPI), Settlement Payment Principal (SPT) ", or "Administrative Fees. (AF)" When a previous filed S1 Report is revised, a "Revision Number" is assigned in sequential number order that corresponds to the chronological order of the revision beginning with a "00" for the original report. Refer to II F-3 of this chapter for a blank copy of the S1 Report.

S1 Report:

The purpose of the S1 Report is two-fold:

- 1) The "Principal" and "Interest" reported paid on A1 Reports, or the NPSL AC Reports are summarized by "Accounting Unit" and "Oil" or "Gas" "Products," or by NPSL "Lease," and "Principal," "Interest" and "Total Payment."
- 2) As such, the S1 Report explains what a particular payment applies to and demonstrates that the reporting (Royalty or NPSL) balances with the payment made.

Electronic Filers:

Each lessee must designate an electronic filer. Contact the Royalty Accounting Section at 269-8800 or via email at DNROGRoyaltyFiling@alaska.gov and request your **myAlaska** user logon and password. Do not set up a **myAlaska** account on your own. All new **myAlaska** accounts for the purposes of conducting business with DO&G must be prescreened and set up by DO&G.

Reporting Responsibility:

According to all lease agreements, it is the ultimate responsibility of each lessee to ensure that their oil and gas royalty and NPSL reporting and payment obligations are met on each of their leases, regardless of any operating or payment agreements in effect.

2. Data Presentation, Formats, and Item Descriptions

Data Presentation

The report is organized into Header Data and Report Detail Data. The Header Data provides specific non-repetitive information about the reporter, the type of report and “Payment,” the production location, and reporting period. The Report Detail Data provides repetitive information in lines and columns. Each line is one record; each column represents a specific data element.

Numeric or alpha codes are used in the Report Detail Data Items to represent the variety of “Accounting Unit” codes, “Report Codes,” and “Allocations” being reported. If applicable, code lists for the “Detail Data Items” are in Section V Appendix A of these instructions. Additional codes may be assigned as needed to report newly automated information. Lessees should contact DNR-DO&G if a code is not found in Section V Appendix A.

Royalty S1 Report:

A S1 Report must be filed whenever a payment is made for any “Oil” or “Gas” “Accounting Unit.” The S1 Report requires that payment detail data be organized into categories by “Accounting Unit” and “Report Code”.

The Oil “Report Code” (OR) royalty S1 Report combines principal and interest payments from the following Product Groups:

1. Oil Group
 - Oil
 - Condensate
2. NGLs Group
 - Regular NGLs
 - Exchange NGLs

The Gas “Report Code” (GC) royalty S1 Report combines principal and interest payments from the following Product Group:

1. Gas Group
 - Dry Gas
 - Wet Gas
 - Vapors
 - Liquefied Petroleum Gas (LPG)

S1 REPORT Instructions

NPSL S1 Report:

A S1 Report must be filed whenever a payment is made for a NPS lease net profit payment. NPSL S1 lists principal and interest payments for each NPS lease. Use "LEASE" for the "Accounting Unit" and Report Code of "NPP."

Report Data Items:

a. Report Header Data Items:

All "Report Header Data Items" must be filled in for the report to be complete.

Header Report

<u>Line Number</u>	<u>Data Item</u>
1.	(For System Use Only, usually contains the form version number.)
2.	Report Type (S1)
3.	Report Code (P)
4.	Filing Type
5.	Customer ID Number
6.	(Blank on S1 Report)
7.	(Blank on S1 Report)
8.	Revision Number
9.	Report Month
10.	Control Number
11.	Authorization Date
12.	(Blank on S1 Report)
13.	Payment Method
14.	Payment Settlement Date
15.	Amount Electronically Transferred
16.	Bank Name
17.	Bank Location
18.	Blank on All Reports
19.	Lessee Name
20.	Blank on S1 Report
21.	Address 1 (Lessee mailing)
22.	Address 2 (Lessee mailing)
23.	City (Lessee mailing)
24.	State (Lessee mailing)
25.	Zip Code (Lessee mailing)
26.	Prepared By
27.	Preparer Phone Number
28.	Preparer Fax Number
29.	Authorized Signature (Electronic Code)
30.	Authorized Signature (Person's Name)
31.	Authorizer's Phone Number
32.	Authorizer's Fax Number

S1 REPORT Instructions

b. Report Detail Data Items:

All “Report Detail Data Items” must be filled out for the report to be complete.

<u>Column No.</u>	<u>Data Item</u>
A.	Line Number
B.	Accounting Unit Code
C.	Report Code
D.	Allocation Code
E.	Lease/CID Number
F.	Payment Date
G.	Payment (Amount)

Data Formats:

Report “Amounts” as follows:

1. All negative numbers must be preceded by a minus (-) sign.
2. Report all amounts to the nearest U.S. cent.

Report dates in exactly the format: Month/Day/Year as “MM/DD/YYYY.”

Report Header Data Item Descriptions:

All required “Report Header Data Items” must be filled out completely. The “Customer ID,” “Accounting Unit,” and “Control Number” are critical to accurately identifying your report and payment information. Inaccurate use of “Customer IDs,” “Accounting Unit” codes, or “Control Numbers” could result in the misfiling or misidentification of your reports. Incomplete or missing reports will be subject to administrative fee charges. The data items are listed by line number.

1. For system Use Only. Spreadsheet format.
2. Report Type List the type of report you are filing; in this case a S1 Report is “Report Type” “S1.” A list of “Report Type” codes can be found in Section V A-3 of these instructions.
3. Report Code List the Report Code you are filing, In this case a S1 Report uses a Report Code of “P”.
4. Filing Type List the type of filing you are submitting, “Regular,” “Audit,” “FERC Refiling,” etc. A list of “Filing Types” codes can be found in Section V A-5 of these instructions.
5. Customer ID List the “Customer ID” code that has been assigned to each lessee by the State of Alaska. The Customer ID is nine digits. If the lessee’s Customer ID is not nine digits in length, use preceding zeros to make a nine digit Customer ID. If you do not know your company’s “Customer ID” code, contact the

S1 REPORT Instructions

Division of Oil and Gas, Royalty Accounting Section at
(907)269-8800.

6. Blank in S1 Report.

7. Blank in S1 Report.

8. Revision Number List the "Revision Number." Original reports must be identified with a "Revision Number" of "00." Each subsequent revision increases the "Revision Number" by 1.

9. Report Month List the calendar month in which the S1 Report is filed. Use the exact month/day/year numeric format, "MM/DD/YYYY," i.e. "05/01/2010" for May 1, 2010 "Report Month." Always use the 1st as the date day when reporting "Report Month" dates.

NOTE: The "Report Month" on the S1 for revisions greater than "00" must remain the same "Report Month" on the revision as on the original or "00" revision.

10. Control Number List the "Control Number" for the "Report Month" the report is included. The "Control Number" is used to reference all reports (A1 Report(s)) with S1 Report and associated "Payment," or in the case of NPSL filings to reference the AC Report that reports the "Net-Profit Amounts" due. See Section V A-12 "Control Number" for an explanation on how to assign a "Control Number."

NOTE: "Payments" for "Net-Profits Share Leases" should be made separate from payments for royalties. Thus, each payment should have a unique "Control Number" when made in the same "Report Month." The "Control Number" on the S1 Report for a NPSL payment should also be reported on all AC Reports for which the NPSL payment applies. The "Net-Profit Payment" filed on the AC Reports will be reconciled with the corresponding S1 Report for the NPSL "Payment."

NOTE: The "Control Number" on S1 revisions greater than "00" must remain the same "Control Number" as on the original filing or "00" revision.

11. Authorized Date List the date the S1 Report is certified as correct. Use the exact month-day-year numeric format, "MM/DD/YYYY."

12. Blank on S1 Report.

S1 REPORT Instructions

13. Payment Method List one of the following codes to indicate how the payment is made:
- | Description: | Code: |
|--------------------------|-------|
| Automatic Clearing House | ACH |
| Wire Transfer | WTN |
| Check | CHK |
| State Warrant | STW |
14. Payment Settlement Date List the date the payment is settled with the State of Alaska bank account and the money is available in that account. Use the exact month-day-year numeric format, "MM/DD/YYYY."
Note: (a) If a payment amount is made due to settlement, reopener, litigation, or other reason prior to the report month that the reports (A1 or AC) are filed, the Royalty and NPSL Payment Summary (S1) report that is linked to the A1 or AC reports when filed will use a Payment Settlement Date when the payment amount was actually made. For example, if the payment was made on 12/15/2009 and the AC or A1 reports were filed on March 15, 2010, the S1 filed with the AC or A1 reports filed on March 15, 2010 will reference a "Payment Settlement Date" of 12/15/2009.
15. Amount Electronically Transferred List the total "Amount Electronically Transferred". If no funds are transferred, \$0 must be entered. The "Amount Electronically Transferred" must equal the "GT" allocation code amount.
16. Bank Name List the name of the commercial bank from which you are sending your payment to the State bank account.
17. Bank Location List the City and State of the location of the commercial bank from which the payment is being sent.
18. Blank on All Reports
19. Lessee Name List the name of the individual, partnership, firm or corporation for whom the "Payment" and "Amounts" due are being filed on the S1.
20. Accounting Unit Name Blank on the S1 Report.
21. Address 1 List the lessee's mailing address Line 1.
22. Address 2 List the lessee's mailing address Line 2 if needed.
23. City List the lessee's City.
24. State List the lessee's State.

S1 REPORT Instructions

- | | |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25. <u>Zip</u> | List the lessee's Zip. |
| 26. <u>Prepared By</u> | List the name of the person who prepared the S1 Report. |
| 27. <u>Phone Number</u> | List the phone number of the person who prepared the S1 Report. |
| 28. <u>FAX Number</u> | List the FAX number of the person who prepared the S1 Report. |
| 29. <u>Authorized Signature (Code)</u> | Signature of the person who authorized the S1 Report. Each party will select its own "Signature" code for the authorization of Documents. The "Signature" must be 10 characters in length using secure password selection techniques. |
| 30. <u>Authorized Signature (Name)</u> | List the name of the authorizing signatory of the S1 Report. |
| 31. <u>Phone Number</u> | List the phone number of the person authorizing the S1 Report. |
| 32. <u>FAX Number</u> | List the FAX number of the person authorizing the S1 Report. |

Report Detail Data Elements:

All data items must be filled out completely. Incomplete or missing reports will be subject to "Administrative Fees." The data items are listed by column letter.

- | | |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. <u>Line Number</u> | List the line number of each individual line of data filed in the S1 Report. Line numbers must be in sequence starting with line 1. |
| B. <u>Accounting Unit Code</u> | <p>List the "Accounting Unit" code that has been assigned to the Tract or Lease Operation, or PA for which you are reporting a payment. A list of the "Accounting Unit" names and codes is in Section V A-1 of these instructions.</p> <p>NOTE: The "Accounting Unit" code should be listed as "LEASE" for Report Code of "NPP" listed on the S1 Report for NPSL leases.</p> <p>Accounting Unit code of "ALLL" should be used for all other allocation codes on the S1 report. These codes are, but not limited to: AF, AR, EIC, GT, OUP, OUI, OUT, OZ, SLPI, SPI, SPP, or SPT.</p> |
| C. <u>Report Code</u> | <p>List the code for the report you are filing, either an "Oil" (OR) or "Gas" (GC) report. A list of "Report Codes" can be found in Section V, Appendix A-4 of these instructions.</p> <p>The "Report Code" for NPSL payments should be "NPP" for the "Allocation Codes" of "PRIN," "INTR," and "TPMT" for</p> |

S1 REPORT Instructions

each NPSL lease listed on the S1 Report for NPSL "Net-Profit" "Amounts" due.

List "Report Code" of "P" for all other items on the S1 Report.

D. Allocation Code

List the "Allocation Code" that describes the payment being reported, i.e. "Principal (PRIN)," "Interest (INTR)," "Total Payment (TPMT)," "Advanced Rental Credit (AR)," etc. A list of payment "Amount Allocation" codes can be found in Section V A-11 of these instructions.

E. Lease Number

List "Lease Number" when the "Payment Amount" refers to a specific lease number. For example, if a payment (debit or credit) payment amount is listed for allocation code of "AR" or "EIC", a lease number must be listed in this cell. For report code of NPP (NPSL report) a valid NPS lease number must be listed in this cell.

If the "Payment Amount" involves a transfer from one Lessee/Company to another (allocation code of "OZ"), list the company "Customer Identification" number assigned by DO&G that is receiving the funds.

F. Payment Date

This date will use the "MM/DD/YYYY" format using the "date" that the item being reported, i.e. "Advance Rentals" (AR), "Over/under Payments" (OUP, OUI, OUT), "Fund Transfers" (OZ), etc., is approved or initiated. For allocation code of AR, the payment date is the date the lease rental payment was made. Usually the lease rental payment is made before the last business day of the month prior to the anniversary date of the lease.

G. Payment

List the portion of the payment being reported for the "Accounting Unit" or NPSL lease and the type of payment described by the "Allocation Code."

Detailed Data Items Required To Be Reported:

Royalty Payments

ALLOCATION CODE	ALLOCATION CODE DESCRIPTION
PRIN	Principal
INTR	Interest
TPMT	Total Payment
GT	Grand Total

S1 REPORT Instructions

The S1 Report summarizes A1 Report detail data items: “Total Amount Due (TAD)” for original A1 reports (revision 00) and Revision Principal Difference amounts (REVPD) for revised A1 reports (revisions numbers greater than 00) as “Payments” of “Principal (PRIN),” “Revision Interest (REVID),” and “Total Payment (TPMT)” which is the sum of PRIN and INTR) by “Accounting Unit” and “Report Code,” i.e. “Oil Report (OR)” or “Gas Report.(GC)”. “Oil” and “NGL” “Products” must be reported and paid together in the “Oil Report.” “Gas Products,” “Wet Gas” and “Dry Gas,” must be reported and paid in the “Gas Report.” “NGL Product” payments must **not** be combined with “Gas Report” “Payments.” “Principal” and “Interest” for all “Accounting Units” and for Report Codes OR and GC may be paid for with one payment. All A1 Reports are summed for an “Accounting Unit” and Report Code. Please note that there may be more than one “Total Amount Due” (TAD), REVPD, or REVID amounts on individual A1 Reports.

For Example: The first line of “Detail Data” in an S1 Report lists the allocation code of “Principal (PRIN)” amount for an “Accounting Unit.” This “Principal Amount” is the sum of all “Oil Report” A1 Reports for that “Accounting Unit.” The sum includes all “TAD Amounts for the original (revision 00) report” and all “Revision Principal Difference” (REVPD) amounts for that “Accounting Unit” and Report Code. Similarly, the second line of summary information includes the sum of all “Revision Interest” (REVID) payments for all revised “Oil Report” A1s filed for the same “Accounting Unit.” The third line of detail data is the “Total Payment Amount,” which is the sum of the “Principal (PRIN)” and “Interest (INTR)” just described for the “Oil Report” A1 Reports for the “Accounting Unit.”

A1 Report payments for “Gas” royalties are also summarized in a similar fashion. The first line of “Detail Data” in an S1 Report lists the “Principal” amount for an “Accounting Unit.” This “Principal Amount” is the sum of all “Gas Report” A1 Reports for that “Accounting Unit.” The sum includes all “TAD Amounts for the original (revision 00) report” and all “Revision Principal Difference” (REVPD) amounts for that “Accounting Unit.” Similarly, the second line of summary information includes the sum of all “revision Interest (REVID)” payments for all revised “Gas Report” A1s filed for the same “Accounting Unit.” The third line of detail data is the “Total Payment Amount”, which is the sum of the “Principal” and “Interest” just described for the “Gas Report” A1 Reports for the “Accounting Unit.”

Both the “Oil Report” and “Gas Report” lines are repeated until all A1 Reports for all “Accounting Units” have been listed on the S1 Report.

NPSL Payments

ALLOCATION CODE	ALLOCATION CODE DESCRIPTION
PRIN	Principal
INTR	Interest
TPMT	Total Payment
GT	Grand Total

The data items required on the S1 Report for NPSL “Net-Profit” “Payments” are the same as for royalties, except they are listed by lease number. There is no distinction for “Products” from which the “Net-Profit” is paid. “Payments” are simply the “Net-Profit” derived from the lease regardless of the “Products” sold to generate the profit payment. NPSL payments are the total net profit for the lease and not tied to a specific type of

S1 REPORT Instructions

production. The “Principal” (PRIN), “Interest” (INTR) and “Total Payment” (TPMT) are derived from the AC Report for the “Net-Profit Account.” The “Principal” includes the “TAD” line from the “Current Production Month (revision 00)” AC Report for a Lease, plus the “REVPD” lines from all revised AC Reports for the same lease from past “Production Months (revision number greater than 00)”. “Interest” is summed from the “REVID” lines for all revised AC Reports for the same lease. The “Total Payment Amount (TPMT)” would include the sum of the “PRIN” and “INTR” lines on the S1 Report for the lease. This summing process is repeated for all NPSL leases for which the lessee has a “Working Interest Ownership” and which a NPSL payment is due.

Current Production Month S1 Report:

Royalty Payment S1 Report:

Report the following items as S1 Report “Detail Data” for each “Accounting Unit” and “Report Code” for royalties.

1. Report the portion of the payment for an “Accounting Unit,” with Report Code of “OR” which includes the combined “Principal Payments (TAD)” on all “Oil” products for both the “Current Production Month (revision 00)” and all “Revisions Payments (REVPD)” for the same “Accounting Unit” and “Report Code” filed with the “Current Production Month.”

NOTE: An “Oil Product,” for the purposes of the S1 Report, is the sum of the payment(s) for Oil and NGLs associated with each “Accounting Unit” being reported.

NOTE: Although “NGLs” were normally classified as “Gas Products” in certain settlement agreements, they are reported under the “Oil Report” because they are liquids. Reporting “NGLs” with the “Oil Report” does not redefine “NGLs” as “Oil”.

2. Report the portion of the payment for “Oil Products” for the “Accounting Unit” with Report Code of “OR” that is “Interest” on revisions filed with the “Current Production Month” as defined in “1.” above. There is no “Interest (REVID)” associated with an original A1 Report (revision 00) filed as the “Current Production Month” reports. If an original A1 report (revision 00) is filed after the due date for the report, report all associated interest as LPMI on the S1 report.
3. Report the portion of the payment for “Oil Products” for the “Accounting Unit” that is the “Total Payment Amount” for the “Accounting Unit.” The “Total Payment Amount” for the “Oil Products” is the sum of “Principal” in item “1” and “Interest” in item “2” directly above.
4. Report the portion of the payment for the “Accounting Unit” with Report Code of “GC” which includes the combined “Principal” payments (TAD) on all “Gas Products” for both the “Current Production Month (revision 00)” and all Revisions Payments (REVPD), **excluding** NGLs as noted above for the same “Accounting Unit” and Report Code filed with the Current Production Month.
5. Report the portion of the payment for “Gas Products” for the “Accounting Unit” with Report Code “GC” that is “Interest” on revisions filed with the “Current Production Month” “Gas Reports” for the same lease. There is no “Interest (REVID)” associated with the amounts reported with an A1 Report filed as an original report (revision 00) as the “Current

S1 REPORT Instructions

Production Month” reports. If an original A1 report (revision 00) is filed after the due date for the report, report all associated interest as LPMI on the S1 report.

6. Report the portion of the payment for “Gas Products” for the “Accounting Unit” that is the “Total Payment Amount” (TPMT) for the “Accounting Unit.” The “TPMT” for the “Gas Products” is the sum of “Principal” in item “4” and “Interest” in item “5” directly above.

NOTE: Repeat items 1 through 6 above for each “Accounting Unit” included in the payment being reported on the S1 Report for a royalty payment.

NPSL Net-Profit Payment S1 Report:

If the S1 Report is to report NPSL “Net-Profit Payments,” skip the first six items above and begin with item 7. The first detail data line for a NPSL S1 Report should begin here.

7. Report the “Principal” (PRIN) portion of the “Net-Profit” payment for a NPSL “Lease” by summing the “Net Profit Account” “Total Amount Due” (NP TAD) for the “Current Production Month” (revision 00) AND the “Revision Principal Difference” (REVPD) amounts from any revised AC Reports (from previous (revision number greater than 00) “Production Month(s)”) for the same NPSL lease filed with the “Current Production Month”.
8. Report the “Interest” portion of the “Net-Profit” payment for a NPSL “Lease” by summing the “Revision Interest Difference” (REVID) amounts from any revised (revision number greater than 00) AC Reports (from previous “Production Month(s)”) for the same NPSL lease reported in item 7 above. If an original AC report (revision 00) is filed after the due date for the report, report all associated interest as LPMI on the S1 report.
9. Report the “Total Payment Amount” (TPMT) sum of the “Net-Profit” payment for a NPSL “Lease” by summing the “Net Profit Account” “Total Amount Due” (NP TAD) for the “Current Production Month” AND all the “Revision Principal Difference” (REVPD) amounts from any revised AC Reports (from previous “Production Month(s)”) for the same NPSL lease reported in items 7 and 8 above.

NOTE: Repeat items 7, 8, and 9 for ever NPSL lease the lessee owns and files NPSL reports. Remember to file a NPSL S1 Report separate from Royalty S1 Report, and make NPSL “Net-Profit” payments separate from “Royalty Payments.”

Additional Detail Data Items:

Report the following data items as appropriate on either the “Royalty Payment” S1 Report or the NPSL “Net-Profit Payment” S1 Report as applicable.

NOTE: Items 10, 11, 12, 13, and 14 below refers to miscellaneous payments only reported on the S1 Report.

NOTE: Use a “Report Code” of “P” for all of the following “Detail Data Items.”

10. Report the portion(s) of the “Grand Total” (GT) payment that are made with “Advanced Rental Credits (AR).” Credits must be reported by “Accounting Unit” coded “ALLL” and list

S1 REPORT Instructions

the “Lease Number” of the lease from which the credit is derived. Report the “Payment Date” as the month, day and year that the rent was paid. Note: The dates must be reported using “MM/DD/YYYY” format. Normally the rent payment is paid during the month preceding the month that the lease year starts. For example, a rent payment for lease year beginning on July 1, 2010, would be paid on or before June 30, 2010.

11. Report the portion(s) of the “Grand Total” (GT) payment that is made with “Exploration Incentive Credits” (EICs). Credits must be reported by “Accounting Unit” coded “ALLL” and list the “Lease Number” of the lease from which the credit is derived. Report the “Payment Date” as the original month, day and year that the credit was granted. Note: The dates must be reported using “MM/DD/YYYY” format.
12. Report the portion of the “Grand Total” (GT) payment that is “Late Payment Interest” (LPMI) amounts. “Late Payment Interest” occurs when a lessee files (“Principal” and “Interest”) for an original report after its due date. This type of interest is reported on the S1 Report only. Each “Late Payment Interest” amount must be listed separately on the S1 Report by “Accounting Unit” and by the original “Production Month” (MM/DD/YYYY) for each original (revision 00) report filed late. A “Late Total Payment” (LPMT) line follows and sums all LPMI lines for an “Accounting Unit.” See the example in Section II-F-19, 20, & 21 of this chapter.

NOTE: NPSL AC Reports that are filed late should report their “Late Payment Interest” (LPMI) on the NPSL S1 Report. For interest associated with a late filed and paid original AC report (revision 00), report “LEASE” for the Accounting Unit, “NPP” for the report Code, “LPMI” for the allocation code, the NPS lease number under Lease/CID number, and the production month (MM/DD/YYYY) the late payment relates to under the Payment Date., Report a “Late Total Payment” (LPMT) line for each NPSL Lease summing all “LPMIs” for the lease. See the example on Section II-F-21 of this chapter.

13. Report the portion(s) of the “Grand Total” (GT) payment that are over or (under) amounts (OUP).

NOTE: “Over/Under Principal Payments” (OUP) can occur when the S1 Report “Grand Total” (GT) does not match the actual payment received. If this occurs **on or before** the due date of the S1 Report, the report can be amended (corrected) until midnight of the due date. On an amended report, the revision number remains the same. If the discrepancy is discovered **after** the due date of the report, the S1 Report must be revised so that the “Grand Total” (GT) amount exactly matches the “Payment Amount” actually received. On a revised report, the revision number is increased by one.

The S1 Report is revised by adding “Over/Under Payment” lines as needed for “Over/Under Principal” (OUP), “Over/Under Interest” (OUI), and “Over/Under Total” (OUT) according to the applicable “Report Month” to which it applies. Interest is due on over/under payments in accordance with AS 38.05.135. Over/under payments are not “Accounting Unit” specific and should be coded “ALLL” for the “Accounting Unit”, and Report Code of “P”. Report the “Payment Date” as the “Report Month (MM/DD/YYYY)” of the original Royalty S1 Report to which the item refers. Refer to Section II-F 22, 23, 24, and 25 of this chapter for examples of the use of over/under payment reporting on the S1. These examples can be applied to both Royalty and NPSL reporting and payment.

S1 REPORT Instructions

14. Report the portion(s) of the “Grand Total” (GT) payment that are “Administrative Fees” (AF) identified by “Accounting Unit” coded “ALLL” and “Production Month” of the “Administrative Fee” invoice.
15. Report the portion(s) of the “Grand Total” (GT) payment that are “Settlement Late Payment Interest” (SLPI), “Settlement Payment Interest” (SPI), “Settlement Payment Principal” (SPP), and “Settlement Payment Total” (SPT) identified by “Accounting Unit” coded “ALLL” and Report Code of “P”.
16. Report the portion of the “Grand Total” (GT) payment that is a payment for another company (customer ID) by using an “OZ” allocation code. This happens most often when one company is paying on behalf of another company. Use Accounting Unit “ALLL”, report Code of “P”, allocation code “OZ”, the nine digit customer ID of the company that you are paying for under Lease/CID Number, and the current report month (MM/DD/YYYY) under Payment Date for these payments. The customer number listed under “Lease/CID Number” must be different than the Customer ID number in the header of the S1 report. During the same report month, there must be a S1 report filed by the company whose Customer ID number was listed in the OZ line which also contains an OZ transaction line and referencing the Customer ID Number on the first S1. For example if company 000012345 is making a \$100.00 payment on behalf of company 000054321, then company 000012345 will include an “OZ” allocation code line on its S1 report and reference company 000054321 as the CID number in the Lease/CID Number column with a payment amount of \$100.00. During the same report month, company 000054321 will have an OZ allocation line on its S1 and reference company 000012345 under Lease/CID Number with a payment amount of negative \$100.00. Both S1 reports will reference the same Payment Date such as 05/01/2010. In any given report month the “OZ” amounts for the paying and the receiving companies must sum to \$0.
17. Report the “Grand Total (GT)” sum of all “Total Payments” (TPMT) and “Miscellaneous Payments” (LPMT, AR, EIC, OUT, AF, OZ, SPT) listed on the report.

NOTE: The “GT” must equal the amount reported in the header data for the “Amount Electronically Transferred.” If it does not equal the amount actually paid, then over/under payment amounts (allocation code of OUP) must be applied to balance the report “GT” with the “Amount Electronically Transferred.” Refer to item 13 above.

Prior Royalty and NPSL S1 Report Revisions:

Amended S1 Report:

A S1 Report may only be amended if the changed report is submitted **prior** to the normal due date for the “Report Month”. When an “Amended” S1 report is filed, the revision number remains the same. The information/Data on the Amended S1 totally replaces the information/data on the original S1. All other changes to a previously submitted S1 Report that are made after the report month of the original report must be submitted as a revision to the S1.

S1 REPORT Instructions

Revised S1 Report:

Complete a revised S1 Report whenever a previously submitted S1 Report is changed and filed **after** the normal due date for the S1 which is usually the last business day of the "Report Month". Refer to Section II-F- 28 and 29 of this chapter.

Revise a S1 Report if the "Grand Total" (GT) sum does not exactly match the amount that is reported as the "Electronically Transferred Amount," i.e. the actual electronic payment. If the "Amount Electronically Transferred" is different than the "GT" line of the S1 Report, then an "Over/Underpayment" line must be included in the revised S1 Report before the "GT" or "Grand Total" payment line so the "GT" reconciles with the "Electronically Transferred Amount."

Refer to Section II-F – 21, 22, 23, 24, 25, 26, and 27 of this chapter for examples of the use of "Over/under-Payment" reporting on the S1. These examples can be applied to both Royalty and NPSL reporting and payments.

Report Month And Revision Number Use:

"Report Month" is the calendar month when the reports are filed and payment is made. Payments are either a positive amount or \$0.

If A1 or AC Reports are filed, but no Payment is made, the "Report Month" for the A1 or AC Reports is the calendar month the A1 or AC Reports are received. The S1 Report that must also accompany the A1 or AC Reports must reflect the same "Report Month" that corresponds to the calendar month in which the A1 or AC Reports were received. The S1 Report would report the normal amounts under allocation codes "PRIN," "INTR" and "TMPT" for each accounting unit and report code that came from the A1 or AC reports with the same control number. An allocation code amount of "OUP" would be used to make the "Amount Electronically Transferred" in the header data of the S1 and the GT amount in the detail portion of the S1 equal to \$0. If a "Payment" with an amount greater than \$0 is received, but no A1 or AC Reports are filed or associated with the "Payment" by the due date of the S1 report, the Detail portion of the S1 must contain an OUP and GT allocation codes equal to the "Amount Electronically Transferred."

S1 Report Revisions And Report Month Exceptions:

A S1 Report is revised after the due date of the original S1 to correct header or detail information on an original filing. When revising the S1 Report, the "Report Month" and the corresponding "Control Number" on the revised S1 **MUST NOT** be changed and must match the "Report Month" and the "Control Number" on the original S1 report in order that the payment may still be correctly identified with the corresponding A1 or AC Reports.

The "Authorization Date" for a revised S1 Report is the date that the revised S1 report is authorized by the reporting lessee.

The "Revision Number" on the S1 Report changes from "00" for the original filing to a subsequent revision number, i.e. "01," "02," "03," etc., whenever a revision is filed after the due date of the original filing.

S1 REPORT Instructions

3. Blank S1 Report Form

[illegible]

S1 REPORT Instructions

4. Completed S1 Report: Royalty Filing Example

ALASKA DNR - OIL & GAS V 1.20100723						
REPORT TYPE					S1	
REPORT CODE					P	
FILING TYPE					REG	
CUSTOMER ID NUMBER					000106346	
REVISION NO.					0	
REPORT MONTH					12/01/20008	
CONTROL NUMBER					000106346P12200800	
AUTHORIZED DATE					12/17/2008	
PAYMENT METHOD					WTN	
PAYMENT SETTLEMENT DATE					12/31/2008	
AMOUNT ELECTRONICALLY TRANSFERRED					\$11,919,067.30	
BANK NAME					Large Bank	
BANK LOCATION					Houston, Texas	
LESSEE NAME					Any Company	
ADDRESS1					P.O. Box 100360	
ADDRESS2						
CITY					Anchorage	
STATE					Alaska	
ZIP					99510	
PREPARER					Jane Doe	
PREPARER PHONE NUMBER					9072634883	
PREPARER FAX NUMBER					9072634885	
AUTHORIZED SIGNATURE (CODE)					ABCDEFGHJIJ	
AUTHORIZED SIGNATURE (Printed Name)					Jane Doe	
PHONE NUMBER					9076652811	
FAX NUMBER					9076652812	
LINE NO.	ACCOUNTING UNIT CODE	REPORT CODE	ALLOCATION CODE	LEASE/CID NUMBER	PAYMENT DATE	PAYMENT
1	BLGA	GC	PRIN			\$124,811.88
2	BLGA	GC	INTR			\$0.00
3	BLGA	GC	TPMT			\$124,811.88
4	ENDI	OR	PRIN			\$1,168.28
5	ENDI	OR	INTR			\$0.00
6	ENDI	OR	TPMT			\$1,168.28
7	PRUD	OR	PRIN			\$4,344,305.92
8	PRUD	OR	INTR			\$0.00
9	PRUD	OR	TPMT			\$4,344,305.92
10	PRUD	GC	PRIN			\$20,146.26
11	PRUD	GC	INTR			\$0.00

S1 REPORT Instructions

LINE NO.	ACCOUNTING UNIT CODE	REPORT CODE	ALLOCATION CODE	LEASE/CID NUMBER	(PAYMENT DATE	PAYMENT
12	PRUD	GC	TPMT			\$20,146.26
13	KPRK	OR	PRIN			\$6,926,695.21
14	KPRK	OR	INTR			\$0.00
15	KPRK	OR	TPMT			\$6,926,695.21
16	KPRK	GC	PRIN			\$3,932.38
17	KPRK	GC	INTR			\$0.00
18	KPRK	GC	TPMT			\$3,932.38
19	LISB	OR	PRIN			\$59,272.23
20	LISB	OR	INTR			\$0.00
21	LISB	OR	TPMT			\$59,272.23
22	PBCN	OR	PRIN			\$18,315.32
23	PBCN	OR	INTR			\$0.00
24	PBCN	OR	TPMT			\$18,315.32
25	PTMC	OR	PRIN			\$387,118.02
26	PTMC	OR	INTR			\$0.00
27	PTMC	OR	TPMT			\$387,118.02
28	WBEA	OR	PRIN			\$0.00
29	WBEA	OR	INTR			\$0.00
30	WBEA	OR	TPMT			\$0.00
31	PBMS	OR	PRIN			\$33,301.80
32	PBMS	OR	INTR			\$0.00
33	PBMS	OR	TPMT			\$33,301.80
34	ALLL	P	GT			\$11,919,067.30

S1 REPORT Instructions

5. Completed S1 Report: NPSL Filing Example

ALASKA DNR - OIL & GAS V 1.20100723

REPORT TYPE	S1
REPORT CODE	P
FILING TYPE	REG
CUSTOMER ID NUMBER	000106346
REVISION NO.	0
REPORT MONTH	12/01/20008
CONTROL NUMBER	000106346N12200800
AUTHORIZED DATE	12/17/2008
PAYMENT METHOD	WTN
PAYMENT SETTLEMENT DATE	12/31/2008
AMOUNT ELECTRONICALLY TRANSFERRED	\$22,960,664.32
BANK NAME	Large Bank
BANK LOCATION	Houston, Texas

LESSEE NAME	Any Company
ADDRESS1	P.O. Box 100360
ADDRESS2	
CITY	Anchorage
STATE	Alaska
ZIP	99510
PREPARER	Jane Doe
PREPARER PHONE NUMBER	9072634883
PREPARER FAX NUMBER	9072634885
AUTHORIZED SIGNATURE (CODE)	ABCDEFGHJIJ
AUTHORIZED SIGNATURE (Printed Name)	Jane Doe
PHONE NUMBER	9076652811
FAX NUMBER	9076652812

LINE NO.	ACCOUNTING UNIT CODE	REPORT CODE	ALLOCATION CODE	LEASE/CID NUMBER	PAYMENT DATE	PAYMENT
1	LEASE	NPP	PRIN	389981		\$124,811.88
2	LEASE	NPP	INTR	389981		\$0.00
3	LEASE	NPP	TPMT	389981		\$124,811.88
4	LEASE	NPP	PRIN	389982		\$1,168.28
5	LEASE	NPP	INTR	389982		\$0.00
6	LEASE	NPP	TPMT	389982		\$1,168.28
7	LEASE	NPP	PRIN	389983		\$4,344,305.92
8	LEASE	NPP	INTR	389983		\$0.00
9	LEASE	NPP	TPMT	389983		\$4,344,305.92
10	LEASE	NPP	PRIN	389984		\$20,146.26
11	LEASE	NPP	INTR	389984		\$0.00

S1 REPORT Instructions

LINE NO.	ACCOUNTING UNIT CODE	REPORT CODE	ALLOCATION CODE	LEASE/CID NUMBER	PAYMENT DATE	PAYMENT
12	LEASE	NPP	TPMT	389984		\$20,146.26
13	LEASE	NPP	PRIN	389985		\$6,926,695.21
14	LEASE	NPP	INTR	389985		\$0.00
15	LEASE	NPP	TPMT	389985		\$6,926,695.21
16	LEASE	NPP	PRIN	389986		\$3,932.38
17	LEASE	NPP	INTR	389986		\$0.00
18	LEASE	NPP	TPMT	389986		\$3,932.38
19	LEASE	NPP	PRIN	389987		\$59,272.23
20	LEASE	NPP	INTR	389987		\$0.00
21	LEASE	NPP	TPMT	389987		\$59,272.23
34	ALLL	P	GT			\$22,960,664.32

6. Reporting Examples

Late Royalty Filing (Of An Original Report) and Payment:

This example illustrates interest reporting for an original A1 or AC filing for a “Production Month” that is filed and paid after the normal due date for that “Production Month.” When an “Accounting Unit” or Lease is reported and paid late, “Late Payment Interest” (LPMI) must be reported on the S1 Report,

Scenario 1: A lessee files an original A1 report for the “Production Month” of June 2010 on December 10, 2010. The corresponding S1 Report is also filed and the payment is made on December 10, 2010.

Line 1: Report the “Principal Payment” (PRIN) for each “Accounting Unit” filed, including the report(s) filed late. This is the sum of the “Total Amount Due” (TAD) lines from all original A1 Reports and the “Revision Principal Difference” (REVPD) lines from all revised A1s for each report code and “Accounting Unit”

Line 2: Report the “Interest Payment” (INTR) for each “Accounting Unit” that is filed. This is the sum of “Revision Interest Difference” (REVID) lines from all revised A1 Reports for each report code and “Accounting Unit”

Line 3: Report the “Total Payment” amount (TPMT) for each “Accounting Unit” that is filed. This is the sum of “Principal” (PRIN) in Line 1 and “Interest” (INTR) in Line 2.”

Lines 7, 8, 9, and 10 illustrate late reporting and payment of A1 Reports for “KPRK.”

Line 7: Report the “Late Interest Payment” (LPMI) for each original A1 Report” for each “Accounting Unit” filed and paid late. Report the “Accounting Unit,” “Report Code,” and “Payment Date” that the “Interest” payment applies. The “Payment Date” should be the “Production Month” that the “Interest” applies to. Repeat this line for each late filed “Royalty Valuation Report” for the same “Accounting Unit.” This scenario has one “Oil” report filed late for the “KPRK” “Accounting Unit.”

Line 8: Report the “Late Payment Total Amount” (LPMT) for each “Accounting Unit” that is filed late. This is the sum of all “Late Payment Interest” (LPMI) lines reported for the KPRK

S1 REPORT Instructions

“Accounting Unit” and “Oil” “Report Code.”

Lines 7 and 8 are repeated for the “Gas” “Royalty Valuation Report” also filed and paid late for “KPRK.” Lines 9 and 10 illustrate this reporting.

Line 11 sums all “TPMT” and “LMPT” lines on the S1 Report.

Report Month: December 1, 2010 Production Month: June 1, 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	KPRK	OR	PRIN			\$124,811.88
2	KPRK	OR	INTR			0.00
3	KPRK	OR	TPMT			\$124,811.88
4	KPRK	GC	PRIN			\$1,168.28
5	KPRK	GC	INTR			\$0.00
6	KPRK	GC	TPMT			\$1,168.28
7	KPRK	OR	LPMI		06/01/2010	\$4,588.97
8	KPRK	OR	LPMT			\$4,588.97
9	KPRK	GC	LPMI		06/01/2010	\$42.95
10	KPRK	GC	LPMT			\$42.95
11	ALLL	P	GT			\$130,612.08

Scenario 2: A lessee files an original A1 Report for the “Production Month” of June 2010 on December 10, 2010. The corresponding S1 Report was also filed on December 10, 2010. No payment is made at the time of the late report filing. When the payment of “OUP” is actually made additional interest is calculated based on the interest rate specified in AS 38.05.135(d), for the time period determined using the date the LPMI was compute through (12/10.2007) and the date the “OUP” payment was made. This additional interest will be recorded on the S1 as OUI with a “Payment Date” of 12/10/2007. Since this filing was not accompanied with a payment, an “Over/Under Principal” (OUP) payment line (Line 5) is reported with a “Payment Date” of “12/10/2010” denoting the calendar month, day, and year in which the late payment interest was computed through. Line 6 reports the total of all “Over/Under Principal” payments made on the current S1 Report.

Report Month: December 1 2010 Production Month: June 1, 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	KPRK	OR	PRIN			\$124,811.88
2	KPRK	OR	INTR			0.00
3	KPRK	OR	TPMT			\$124,811.88
4	KPRK	GC	PRIN			\$1,168.28
5	KPRK	GC	INTR			\$0.00
6	KPRK	GC	TPMT			\$1,168.28
7	KPRK	OR	LPMI		06/01/2010	\$4,588.97

S1 REPORT Instructions

8	KPRK	OR	LPMT			\$4,588.97
9	KPRK	GC	LPMI		06/01/2010	\$42.95
10	KPRK	GC	LPMT			\$42.95
11	ALLL	P	OUP		12/10/2010	-\$130,612.08
12	ALLL	P	OUT			-\$130,612.08
13	ALLL	P	GT			\$0

Late NPSL Filing (Of An Original Report) and Payment:

A lessee files an original AC Report for the "Production Month" of June 2010 on December 10, 2010. The corresponding S1 Report was also filed on December 10, 2010. No payment is made at the time of the late report filing. When the payment of "OUP" is actually made, additional interest is calculated based on the interest rate specified in AS 38.05.135(d), for the time period determined using the date the LPMI was compute (8/30/31 through 12/10/2010) and the date that the "OUP" payment was made. This additional interest will be recorded on the S1 as OUI with a "Payment Date" of 12/10/2010. Since this filing was not accompanied with a payment, an "Over/Under Principal" (OUP) payment line (Line 5) is reported with a "Payment Date" of "12/10/2010" denoting the calendar month, day, and year in which the late payment interest was computed through. Line 6 reports the total of all "Over/Under Principal" payments made on the current S1 Report.

Report Month: December 1 2010 Production Month: June 1, 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	LEASE	NPP	PRIN	00123456		\$124,811.88
2	LEASE	NPP	INTR	00123456		0.00
3	LEASE	NPP	TPMT	00123456		\$124,811.88
4	LEASE	NPP	PRIN	00234567		\$1,168.28
5	LEASE	NPP	INTR	00234567		\$0.00
6	LEASE	NPP	TPMT	00234567		\$1,168.28
7	LEASE	NPP	LPMI	00123456	06/01/2010	\$1,554.16
8	LEASE	NPP	LPMT	00123456		\$1,554.16
9	LEASE	NPP	LPMI	00234567	06/01/2010	\$14.55
10	LEASE	NPP	LPMT	00234567		\$14.55
11	ALLL	P	OUP		12/10/2010	-\$127,548.87
12	ALLL	P	OUT			-\$127,548.87
13	ALLL	P	GT			\$0

S1 REPORT Instructions

Current Month Royalty Filing and Payment:

A lessee files an original A1 Reports for the "Production Month" of October 2010 on November 30, 2010. The corresponding S1 Report was also filed on November 30, 2010.

Scenario 1: No payment is made at the time of the report filing. Since this is a Current Month Filing, i.e. the A1 Reports are filed on time, but no payment is made, an "Over/Underpayment" (OUP) line (Line 13) is included in the S1 Report. The "Payment Date" is for November 30, 2010 (11/30/2010) as the underpayment occurs on the date the report is filed, November 30, 2010.

Line 14 reports the total over/under payments (OUT) for this S1 Report.

Line 15 reports the "Grant Total" (GT) for all "TPMT" and "OUT" lines reported on this S1 Report.

Note that the "OUT" line amount equals the total for all "TPMT" amounts and thus balances the report to "0" which in turn equals the zero "Amount Electronically Transferred," i.e. no payment was made.

Report Month: November 2010

Production Month: October 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	KPRK	OR	PRIN			\$124,811.88
2	KPRK	OR	INTR			\$0.00
3	KPRK	OR	TPMT			\$124,811.88
4	KPRK	GC	PRIN			\$1,168.28
5	KPRK	GC	INTR			\$0.00
6	KPRK	GC	TPMT			\$1,168.28
7	PRUD	OR	PRIN			\$2,234,187.88
8	PRUD	OR	INTR			\$0.00
9	PRUD	OR	TPMT			\$2,234,187.88
10	PRUD	GC	PRIN			\$2,345.06
11	PRUD	GC	INTR			\$0.00
12	PRUD	GC	TPMT			\$2,345.06
13	ALLL	P	OUP		11/30/2010	-\$2,362,513.10
14	ALLL	P	OUT			-\$2,362,513.10
15	ALLL	P	GT			\$0.00

S1 REPORT Instructions

Scenario 2: The lessee makes payment for the November 30, 2010 filed S1 Reports on March 29, 2011. When the payment of "OUP" is actually made, additional interest is calculated based on the interest rate specified in AS 38.05.135(d), for the time period determined using the due date of the reports (11/30/2010) and the date that the "OUP" payment was made (03/29/2011). This additional interest will be recorded on the S1 as OUI with a "Payment Date" of 11/30/2010. An "Over/Underpayment" (OUP) line (Line 1) is included in the S1 Report referencing the S1 Report where the A1 Reports were originally reported but not paid. The OUP line will use a "Payment Date" of 11/30/2010.

Line 2 reports the "Over/Underpayment Interest" (OUI) accrued and paid from the date the A1 Reports are due (11/30/2010) through March 29, 2011 on the "11/30/2010" "OUP" amount.

Line 3 reports the "Over/Underpayment Total" (OUT) amount which is the sum of the "OUP" and "OUI" amounts reported and paid on this S1 Report.

Report Month: March 1, 2011

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	ALLL	P	OUP		11/30/2010	\$2,362,513.10
2	ALLL	P	OUI		11/30/2010	\$85,312.19
3	ALLL	P	OUT			\$2,447,825.29
4	ALLL	P	GT			\$2,447,825.29

Current Month NPSL Filing and Payment: (Refer to Example on II-F-24 for NPSL)

The lessee makes payment for the December 10, 2010 filed June 2010 "Production Month" AC Reports on March 29, 2011. When the payment of "OUP" is actually made, additional interest is calculated based on the interest rate specified in AS 38.05.135(d), for the time period determined using the date the reports (12/10/2010) were filed and the date that the "OUP" payment was made (03/29/2011). This additional interest will be recorded on the S1 as OUI with a "Payment Date" of 12/10/2010. An "Over/Underpayment" (OUP) line (Line 1) is included in the S1 Report referencing the S1 Report where the A1 Reports were originally reported but not paid.

Line 2 reports the "Over/Underpayment Interest" (OUI) accrued and paid from December 10, 2010 through March 29, 2011 on the "12/10/2010" "OUP" amount.

Line 3 reports the "Over/Underpayment Total" (OUT) amount which is the sum of the "OUP" and "OUI" amounts reported and paid on this S1 Report.

S1 REPORT Instructions

Report Month: March 1, 2011

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	ALLL	P	OUP		12/10/2010	\$127,548.87
2	ALLL	P	OUI		12/10/2010	\$4,212.49
3	ALLL	P	OUT			\$ 131,761.36
4	ALLL	P	GT			\$ 131,761.36

Current Month Royalty Payment And No Filing:

A lessee makes a payment for original A1 Reports for the "Production Month" of October 1, 2010 on November 30, 2010. The corresponding S1 Report is also filed on November 30, 2010.

Scenario 1: No A1 Reports are filed when the payment is made on November 30, 2010. Since no reports are filed, the payment is treated as an overpayment for S1 Report purposes. The S1 Report would consist of two lines of information, Line 1 is the amount of "Over/Underpayment Principal" (OUP) for the total amount of the payment received. Line 2 is the sum of all OUP and OUI lines report on this S1 Report. Line 3 is the sum of all "TPMT" and "OUT" lines. In this scenario it is just the one "OUT" line.

Report Month: November 1, 2010 Production Month: October 1, 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	ALLL	P	OUP		11/30/2010	\$2,362,513.10
2	ALLL	P	OUT			\$2,362,513.10
3	ALLL	P	GT			\$2,362,513.10

Scenario 2: The lessee realizes his error and files the original A1 Reports for the "Production Month" of October 1, 2010 on December 1, 2010. A S1 Report must also be filed when the reports are filed since they did not coincide in the same calendar month as the payment that was intended to cover the A1 Reports for the "Production Month" of October 1, 2010. No new payment is made at the time of the late report filing made on December 1, 2010. The S1 Report refers to the previous Overpayment that was originally intended to cover the October 2010 Current Month Filing (November 1, 2010 "Report Month") of the "Royalty Valuation Reports." (Note: the "Payment Settlement Date" in the header of the December 01, 2010 S1 will be 11/30/2010 which was the date the payment was made).

Lines 1 through 12 itemize the principal, interest, and total amounts for each "Accounting Unit" "Royalty Valuation Report" filed.

Line 13 is the sum of all "TPMT" lines reported on this S1 Report. It has a "Payment Date" 11292007 indicating the association of this "Over/Underpayment" line with an associated "Over/Underpayment" reported in 11/29/2010. Thus the previous overpayment made in

S1 REPORT Instructions

November is tied to the reports being filed on 12/1/2010.

Line 14 is the sum of all "OUP" and "OUI" lines reported on this S1 Report.

Line 15 is the "Grant Total (GT) of all "TPMT" and "OUT" lines on this S1 Report.

Note that the net "Grand Total" is zero reflecting no payment is made with the reports filed with this S1 Report.

Report Month: December 1, 2010 Production Month: October 1, 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	KPRK	OR	PRIN			\$124,811.88
2	KPRK	OR	INTR			\$0.00
3	KPRK	OR	TPMT			\$124,811.88
4	KPRK	GC	PRIN			\$1,168.28
5	KPRK	GC	INTR			\$0.00
6	KPRK	GC	TPMT			\$1,168.28
7	PRUD	OR	PRIN			\$2,234,187.88
8	PRUD	OR	INTR			\$0.00
9	PRUD	OR	TPMT			\$2,234,187.88
10	PRUD	GC	PRIN			\$2,345.06
11	PRUD	GC	INTR			\$0.00
12	PRUD	GC	TPMT			\$2,345.06
13	ALLL	P	OUP		11/29/2010	-\$2,362,513.10
14	ALLL	P	OUT			-\$2,362,513.10
15	ALLL	P	GT			\$0.00

Current Month NPSL Payment And No Filing:

A lessee makes a payment for original AC Reports for the "Production Month" of September 2010 on November 30, 2010. The corresponding S1 Report is also filed on November 30, 2007.

Scenario 1: No AC Reports are filed when the payment is made on November 30, 2010. Since no reports are filed, the payment is treated as an overpayment for S1 Report purposes. The S1 Report would consist of two lines of information, Line 1 is the amount of "Over/Underpayment Principal" (OUP) or the total amount of the payment received. Line 2 is the sum of all OUP and OUI lines report on this S1 Report. Line 3 is the sum of all "TPMT" and "OUT" lines. In this scenario it is just the one "OUT" line.

S1 REPORT Instructions

Report Month: November 1, 2010 Production Month: September 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	ALLL	P	OUP		11/30/2010	\$2,362,513.10
2	ALLL	P	OUT			\$2,362,513.10
3	ALLL	P	GT			\$2,362,513.10

Scenario 2: The lessee realizes his error and files the original NPSL AC Reports for the "Production Month" of September 2010 on December 1, 2010. A S1 Report must also be filed when the reports are filed since they did not coincide in the same calendar month as the payment that was intended to cover the NPSL Reports for the "Production Month" of September 2010. No new payment is made at the time of the late report filing made on December 1, 2010. The S1 Report refers to the previous "Overpayment" that was originally intended to cover the September 2010 "Current Production Month" filing (September 2010) of the NPSL Reports. The "Payment Settlement Date" will reference that actual date of the payment which the reports were tied to = 11/30/2010

Lines 1 through 12 itemize the principal, interest, and total amounts for each "LEASE" AC Report filed.

Line 13 is the sum of all "TPMT" lines reported on this S1 Report. It has a "Payment Date" 11/29/2010 indicating the association of this "Over/Underpayment" line with an associated "Over/Underpayment" reported in 11/30/2010. Thus the previous overpayment made in November is tied to the reports being filed on 12/1/2010.

Line 14 is the sum of all "OUP" and "OUI" lines reported on this S1 Report.

Line 15 is the "Grant Total (GT) of all "TPMT" and "OUT" lines on this S1 Report. Note that the net "Grand Total" is zero reflecting no payment is made with the reports filed with this S1 Report.

Report Month: December 1, 2010 Production Month: September 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	LEASE	NPP	PRIN	00123456		\$124,811.88
2	LEASE	NPP	INTR	00123456		\$0.00
3	LEASE	NPP	TPMT	00123456		\$124,811.88
4	LEASE	NPP	PRIN	00234567		\$1,168.28
5	LEASE	NPP	INTR	00234567		\$0.00
6	LEASE	NPP	TPMT	00234567		\$1,168.28
7	LEASE	NPP	PRIN	00345678		\$2,234,187.88

S1 REPORT Instructions

8	LEASE	NPP	INTR	00345678		\$0.00
9	LEASE	NPP	TPMT	00345678		\$2,234,187.88
10	LEASE	NPP	PRIN	00456789		\$2,345.06
11	LEASE	NPP	INTR	00456789		\$0.00
12	LEASE	NPP	TPMT	00456789		\$2,345.06
13	ALLL	P	OUP		11/30/2010	-\$2,362,513.10
14	ALLL	P	OUT			-\$2,362,513.10
15	ALLL	P	GT			\$0.00

Current Month Filing With Exploration Incentive Credits, Advanced Rental Credits and Administrative Fees Reported:

The lessee reports Exploration Incentive Credits (EICs), Advanced Rental Credits (AR) and an Administrative Fee (AF) on a Current Month filing, "Report Month" December 1, 2010. This example shows the coding and report format for these types of miscellaneous reported items.

Line 1 through 3 shows "Principal" (PRIN), "Interest" (INTR), and "Total Payment" (TPMT) or an original "Royalty Valuation Report" filing for "KPRK" "Accounting Unit."

Line 4 shows an "Exploration Incentive Credit" (EIC) for lease number "312218." The "Payment Date" reflects the month, day and year when the credit was originally granted for the lease. Thus, the credit claimed can be traced to the time and amount of credit originally granted for the lease in "Accounting Unit" "KPRK."

Line 5 shows an "Advanced Rental Credit" (AR) for lease number "346892." The "Payment Date" reflects the month, day and year in which the lease payment was made.

Line 6 shows an "Administrative Fee" being paid for "KPRK" "Accounting Unit." The "Payment Date" reflects month, day and year of the invoice in which the "Administrative Fee" was billed.

Line 7 sums the "TPMT" due, "EIC" credit, "AR" credit, and the "AF" fee charge to reflect the "Grand Total" (GT) for this S1 Report.

Report Month: December 1, 2010 Production Month: November 1, 2010

Line No.	Accounting Unit Code	Report Code	Allocation Code	Lease Number	Payment Date	Payment
1	KPRK	OR	PRIN			\$124,811.88
2	KPRK	OR	INT			\$0.00
3	KPRK	OR	TPMT			\$124,811.88
4	KPRK	OR	EIC	312218	08/10/1998	-\$1,168.28
5	ALLL	P	AR	346892	01/24/2010	-\$1,200.00
6	ALLL	P	AF		11/01/2010	\$450.00
7	ALLL	P	GT			\$122,893.60

S1 REPORT Instructions

Revised S1 Report Header:

A revised S1 Report is filed when data on the S1 Report is corrected after the last business day of the month. **It is critical that the “Report Month” and the payment control number remain the same on the revision as was reported on the original filing of the S1 Report.** Data checks cross check “Report Month” with the month and year reported in the payment control number. The “Report Month” date must be consistent among the original and any subsequent revisions to the original S1 Report filing. Below is an example of an original header and the subsequent revised S1 Report header. Note that the only two fields that change in the header are the Revision Number going from “00” to “01” in this example, and the Authorization Date of the report. All other dates should remain the same, i.e. the Payment Settlement date, the “Report Month” and the date shown in the Payment Control Number.

Original Filing:

ALASKA DNR - OIL & GAS V 1.20100723	
REPORT TYPE	S1
REPORT CODE	P
FILING TYPE	REG
CUSTOMER ID NUMBER	000106346
REVISION NO.	0
REPORT MONTH	12/01/2010
CONTROL NUMBER	000106346P12201000
AUTHORIZED DATE	12/17/2010
PAYMENT METHOD	WTN
PAYMENT SETTLEMENT DATE	12/31/2010
AMOUNT ELECTRONICALLY TRANSFERRED	\$11,919,067.30
BANK NAME	Large Bank
BANK LOCATION	Houston, Texas
LESSEE NAME	Any Company
ADDRESS1	P.O. Box 100360
ADDRESS2	
CITY	Anchorage
STATE	Alaska
ZIP	99510
PREPARER	Jane Doe
PREPARER PHONE NUMBER	9072634883
PREPARER FAX NUMBER	9072634885
AUTHORIZED SIGNATURE (CODE)	ABCDEFGHJI
AUTHORIZED SIGNATURE (Printed Name)	Jane Doe
PHONE NUMBER	9076652811
FAX NUMBER	9076652812

S1 REPORT Instructions

Revised Filing:

ALASKA DNR - OIL & GAS V 1.20100723	
REPORT TYPE	S1
REPORT CODE	P
FILING TYPE	REG
CUSTOMER ID NUMBER	000106346
REVISION NO.	01
REPORT MONTH	12/01/2010
CONTROL NUMBER	000106346P12201000
AUTHORIZED DATE	01/02/2011
PAYMENT METHOD	WTN
PAYMENT SETTLEMENT DATE	12/31/2010
AMOUNT ELECTRONICALLY TRANSFERRED	\$11,919,067.30
BANK NAME	Large Bank
BANK LOCATION	Houston, Texas
LESSEE NAME	Any Company
ADDRESS1	P.O. Box 100360
ADDRESS2	
CITY	Anchorage
STATE	Alaska
ZIP	99510
PREPARER	Jane Doe
PREPARER PHONE NUMBER	9072634883
PREPARER FAX NUMBER	9072634885
AUTHORIZED SIGNATURE (CODE)	ABCDEFGHIJ
AUTHORIZED SIGNATURE (Printed Name)	Jane Doe
PHONE NUMBER	9076652811
FAX NUMBER	9076652812